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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/797,517	03/10/2004	Robert V. Kixmiller	1770-0002	2832
28078 7590 11/09/2007 MAGINOT, MOORE & BECK, LLP CHASE TOWER 111 MONUMENT CIRCLE SUITE 3250 INDIANAPOLIS, IN 46204			EXAMINER ROSEN, ELIZABETH H	
			ART UNIT 3692	PAPER NUMBER
			MAIL DATE 11/09/2007	DELIVERY MODE PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/797,517	<b>Applicant(s)</b> KIXMILLER, ROBERT V.	
	<b>Examiner</b> Elizabeth Rosen	<b>Art Unit</b> 3692	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 10 March 2004.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-5 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-5 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 10 March 2004 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date <u>10 May 2004</u> . | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Status of Claims***

1. This action is in reply to the Application filed on March 10, 2004.
2. Claims 1-5 are currently pending and have been examined.

### ***Information Disclosure Statement***

3. The Information Disclosure Statement filed on May 10, 2004 has been considered. An initialed copy of the Form 1449 is enclosed herewith.

### ***Drawings***

4. The drawings are objected to because they are handwritten and do not include labels. All drawings must be legible and typewritten and contain reference labels. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as "amended." If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

### ***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art

are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Horn et al., U.S. Patent Application Publication Number 2001/0037204 A1.

**Claim 1:**

Horn discloses the limitations of:

- *registering a dispute on a web-based automated settlement system, including entering information concerning the parties and the dispute, and entering communication addresses of the parties (see at least Horn, Paragraph 0074 (Internet); Paragraph 0083 ("Once a party chooses to subscribe, the system prompts the user to enter his or her information"); and Paragraph 0089 (The user enters information regarding the claim.));*
- *generating a secure authorization number unique to the particular dispute and communicating that number to the parties via their respective communication addresses (see at least Horn, Paragraph 0021 ("the system provides the user with a unique reference number to identify the claim") and Paragraph 0017 (the website and system are secure));*
- *storing the information concerning the parties and the dispute in a data storage location associated with the secure authorization number (see at least Horn, Paragraph 0097 ("The selected settlement range and other information provided by the initiating party are stored by the system.") and Paragraph 0161 ("storage media 506"));*
- *displaying a settlement contract obligating the parties to the disclosure of binding offers or binding settlement at a particular dollar amount upon the occurrence of pre-determined negotiation conditions (see at least Horn, Figure 36 and Paragraph 0096 ("The parties are advised that any settlement reached as a result of the process is binding as a valid contract."));*
- *terminating the automated settlement process if one of the parties declines to execute the settlement contract (see at least Horn, Figure 38 and Paragraph 0096 ("If the user denies the displayed terms, the filing of the claim is aborted and a web page such as that illustrated in FIG. 38 is displayed to the user, for example."));*

- *displaying a split and settle option to a first party in which the monetary settlement is reached at the mid-point dollar amount between [offers] of the parties prior to registering the dispute on the web-based automated settlement system (see at least Horn, Figure 3; Figure 9 (If a minimum of \$4,000 is demanded and a maximum of \$6,000 is offered, the settlement is the midpoint of \$5,000); and Paragraph 0109);*
- *signifying election of the split and settle option by a first party including entry of the [offers] of the parties (see at least Horn, Paragraphs 0091-0092 (The user submits a settlement offer.) and Paragraph 0096 (By agreeing to the terms and conditions, the user agrees to settle at the midpoint of the two dollar amounts.));*
- *storing the non-confidential offers in the data storage location associated with the secure authorization number (see at least Horn, Paragraph 0097 ("The selected settlement range and other information provided by the initiating party are stored by the system.") and Paragraph 0161 ("storage media 506"));*
- *notifying the second party of the registration of the dispute on the web-based automated settlement system and of the secure authorization number (see at least Horn, Paragraph 0097 ("The system generates automatic notifications in written or electronic form and forwards them to parties involved, inviting them to respond.") and Paragraph 0100 (The reference number for the claim is "included in the correspondence inviting the responding party to participate."));*
- *upon the second party accessing the web-based settlement system using the secure authorization number (see at least Horn, Paragraph 0101 (The responding party provides the reference number for the claim and the system displays information that is relevant to the claim)); and*
- *notifying the parties that settlement has been reached at the mid-point dollar amount if the second party signifies election of the split and settle option (see at least Horn, Paragraph 0104).*

Horn does not explicitly disclose:

- *non-confidential offers; and*
- *displaying the split and settle option to the second party together with the non-confidential offers.*

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate *non-confidential offers* and *displaying the split and settle option to the second party together with the non-confidential offers* with Horn's system and method for online resolution of disputes. One of ordinary skill in the art would have been

motivated to incorporate the first feature for the purpose of making the offer known to the other party in order to assist with the negotiation process. Additionally, Horn discloses in Paragraph 0097 that "[i]n certain embodiments, the settlement amount entered by the initiating party is not revealed to the other party." This statement implies that in all other embodiments, the settlement amount entered by the initiating party is revealed to the other party. With regard to the limitation of "*displaying the split and settle option to the second party together with the non-confidential offers*," one of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of giving the second party the opportunity to participate in the settlement negotiations. Horn discloses, in Paragraph 0103, that the responding party makes a selection regarding the settlement amount and then must agree to the terms and conditions. Therefore, the responding party agrees to the "*split and settle option*."

**Claims 2 and 5:**

Horn discloses the limitations as described above. Horn further discloses:

- *wherein the communication addresses are e-mail addresses of the parties and the notifying steps of the method include sending an e-mail message* (see at least Horn, Paragraphs 0022, 0027, 0083, 0091).

**Claim 3:**

Horn discloses the limitations as described above. Horn further discloses:

- *entering a proximity test value by a first party, the proximity test value indicative of a negotiation condition relative to a dollar amount offer of the first party* (see at least Horn, Paragraph 0091 ("The user can then initiate a settlement offer that includes the minimum and maximum limits for which the user is willing to settle the claim.") and Paragraph 0094 ("the settlement range is expanded based on a certain percentage of the difference between the highest and lowest amounts in the range selected by the user."));
- *entering a dollar amount offer by the first party and storing such dollar amount offer in the memory associated with the secure authorization number* (see at least Horn, Paragraph 0091; Paragraph 0097 ("The selected settlement range and other information provided by the initiating party are stored by the system."); and Paragraph 0161 ("storage media 506"));
- *calculating a disclosure dollar amount by applying the proximity test value to the dollar amount offer* (see at least Horn, Paragraphs 0092-0094 and Paragraph

0102 (the responding party is provided with a menu of settlement ranges that was generated by the initiating party without knowing that the initiating party has selected the increments.));

- *upon a second party accessing the web-based settlement system using the secure authorization number, displaying a request to enter a counter-offer, while maintaining the offer of the first party confidential (see at least Horn, Figure 40 (The second party does not know the offer of the first party. Rather, the second party chooses from several dollar amount ranges.); Paragraph 0100 ("once notified of the initiation of a claim, a responding party at step 345 offers a settlement response"); and Paragraph 0101 (The responding party provides the reference number for the claim and the system displays information that is relevant to the claim.));*
- *upon entry of a counter-offer dollar amount by the second party, comparing the counter-offer dollar amount to the disclosure dollar amount (see at least Horn, Paragraph 0104 (The system processes the submitted settlement offer to determine whether a settlement has been reached.));*
- *otherwise, if the counter-offer dollar amount is within the disclosure dollar amount, notifying the parties of the offer and counter-offer dollar amounts (see at least Horn, Paragraph 0104 ("If the system after processing the submitted settlement offer determines that a settlement has been reached, then the parties are notified and a settlement amount is calculated." A pop-up window announces the settlement and the amount of the settlement.)); and*
- *wherein the settlement contract makes the offer and counter-offer binding on the respective party so that settlement is reached if one party accepts the other party's offer dollar amount (see at least Horn, Paragraph 0093 (An example given of a range is \$30,000 to \$30,000 so that the offer is \$30,000.); Paragraph 0094 ("If the first option is selected, then the settlement range is the range selected by the user.); Paragraph 0096 ("The parties are advised that any settlement reached as a result of the process is binding as a valid contract."); and Paragraph 0103).*

Horn does not explicitly disclose:

- *if the counter-offer dollar amount is not within the disclosure dollar amount, terminating the settlement process while maintaining the offer and counter-offer confidential.*

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate the method of terminating the settlement process if the counter-

offer dollar amount is not within the disclosure dollar amount with Horn's system and method for online resolution of disputes. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of ending the settlement negotiations when the parties fail to agree on a settlement amount. Although Horn does not explicitly disclose that the entire settlement process is terminated, it does disclose that the round of settlements is terminated when there is no agreement (see at least Horn, Paragraphs 0105-0107 (If no settlement is reached, the round of settlements is over. If the party does not want to proceed with a new round of negotiations, it can withdraw from negotiations and remove the claim from the system.)).

**Claim 4:**

Horn discloses the limitations of:

- *registering a dispute on a web-based automated settlement system, including entering information concerning the parties and the dispute, and entering communication addresses of the parties* (see at least Horn, Paragraph 0074 (Internet); Paragraph 0083 ("Once a party chooses to subscribe, the system prompts the user to enter his or her information"); and Paragraph 0089 (The user enters information regarding the claim.));
- *generating a secure authorization number unique to the particular dispute and communicating that number to the parties via their respective communication addresses* (see at least Horn, Paragraph 0021 ("the system provides the user with a unique reference number to identify the claim") and Paragraph 0017 (the website and system are secure));
- *storing the information concerning the parties and the dispute in a data storage location associated with the secure authorization number* (see at least Horn, Paragraph 0097 ("The selected settlement range and other information provided by the initiating party are stored by the system.") and Paragraph 0161 ("storage media 506"));
- *displaying a settlement contract obligating the parties to the disclosure of binding offers upon the occurrence of pre-determined negotiation conditions* (see at least Horn, Figure 36 and Paragraph 0096 ("The parties are advised that any settlement reached as a result of the process is binding as a valid contract."));
- *terminating the automated settlement process if one of the parties declines to execute the settlement contract* (see at least Horn, Figure 38 and Paragraph 0096 ("If the user denies the displayed terms, the filing of the claim is aborted



and a web page such as that illustrated in FIG. 38 is displayed to the user, for example."));

- *entering a proximity test value by a first party, the proximity test value indicative of a negotiation condition relative to a dollar amount offer of the first party (see at least Horn, Paragraph 0091 ("The user can then initiate a settlement offer that includes the minimum and maximum limits for which the user is willing to settle the claim.") and Paragraph 0094 ("the settlement range is expanded based on a certain percentage of the difference between the highest and lowest amounts in the range selected by the user."));*
- *entering a dollar amount offer by the first party and storing such dollar amount offer in the memory associated with the secure authorization number (see at least Horn, Paragraph 0091; Paragraph 0097 ("The selected settlement range and other information provided by the initiating party are stored by the system."); and Paragraph 0161 ("storage media 506"));*
- *calculating a disclosure dollar amount by applying the proximity test value to the dollar amount offer (see at least Horn, Paragraphs 0092-0094 and Paragraph 0102 (the responding party is provided with a menu of settlement ranges that was generated by the initiating party without knowing that the initiating party has selected the increments.));*
- *notifying the second party of the registration of the dispute on the web-based automated settlement system and of the secure authorization number (see at least Horn, Paragraph 0097 ("The system generates automatic notifications in written or electronic form and forwards them to parties involved, inviting them to respond.") and Paragraph 0100 (The reference number for the claim is "included in the correspondence inviting the responding party to participate."));*
- *upon a second party accessing the web-based settlement system using the secure authorization number, displaying a request to enter a counter-offer, while maintaining the offer of the first party confidential (see at least Horn, Figure 40 (The second party does not know the offer of the first party. Rather, the second party chooses from several dollar amount ranges.); Paragraph 0100 ("once notified of the initiation of a claim, a responding party at step 345 offers a settlement response"); and Paragraph 0101 (The responding party provides the reference number for the claim and the system displays information that is relevant to the claim.));*

- *upon entry of a counter-offer dollar amount by the second party, comparing the counter-offer dollar amount to the disclosure dollar amount (see at least Horn, Paragraph 0104 (The system processes the submitted settlement offer to determine whether a settlement has been reached.));*
- *otherwise, if the counter-offer dollar amount is within the disclosure dollar amount, notifying the parties of the offer and counter-offer dollar amounts (see at least Horn, Paragraph 0104 ("If the system after processing the submitted settlement offer determines that a settlement has been reached, then the parties are notified and a settlement amount is calculated." A pop-up window announces the settlement and the amount of the settlement.)); and*
- *wherein the settlement contract makes the offer and counter-offer binding on the respective party so that settlement is reached if one party accepts the other party's offer dollar amount (see at least Horn, Paragraph 0093 (An example given of a range is \$30,000 to \$30,000 so that the offer is \$30,000.); Paragraph 0094 ("If the first option is selected, then the settlement range is the range selected by the user.); Paragraph 0096 ("The parties are advised that any settlement reached as a result of the process is binding as a valid contract."); and Paragraph 0103).*

Horn does not explicitly disclose:

- *if the counter-offer dollar amount is not within the disclosure dollar amount, terminating the settlement process while maintaining the offer and counter-offer confidential.*

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate the method of terminating the settlement process if the counter-offer dollar amount is not within the disclosure dollar amount with Horn's system and method for online resolution of disputes. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of ending the settlement negotiations when the parties fail to agree on a settlement amount. Although Horn does not explicitly disclose that the entire settlement process is terminated, it does disclose that the round of settlements is terminated when there is no agreement (see at least Horn, Paragraphs 0105-0107 (If no settlement is reached, the round of settlements is over. If the party does not want to proceed with a new round of negotiations, it can withdraw from negotiations and remove the claim from the system.)).

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### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elizabeth Rosen whose telephone number is 571-270-1850. The examiner can normally be reached on Monday - Friday, 8:30 am-6:00 pm est, alt Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached at 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



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SPE 3692